

Public Hearing – March 3<sup>rd</sup>, 2022  
Appropriations Committee

Testimony Submitted by Commissioner Katie S. Dykes

**Senate Bill No. 106 – AN ACT CONCERNING LEGISLATIVE OVERSIGHT AND APPROVAL FOR THE EXPENDITURE OF FEDERAL TRANSPORTATION INFRASTRUCTURE FUNDING**

Thank you for the opportunity to present testimony regarding **Senate Bill No. 106 – AN ACT CONCERNING LEGISLATIVE OVERSIGHT AND APPROVAL FOR THE EXPENDITURE OF FEDERAL TRANSPORTATION INFRASTRUCTURE FUNDING.**

The purpose of this bill is to require legislative oversight and approval for the expenditure of federal transportation infrastructure funds.

The Department of Energy and Environmental Protection (DEEP) **has concerns** with this bill because, as written, the language of the bill may significantly delay the deployment of funds through the Infrastructure Investment and Jobs Act (IIJA), thus creating unintended barriers to the implementation of programs within IIJA.

Unlike ARPA's State Fiscal Recovery Fund, where states received funding centrally with one set of guidance that gave them latitude to distribute funds across a variety of programs and agencies at their discretion, funding through IIJA has more structure. Under IIJA, the State will receive funding for programs administered by several federal agencies including the United States Department of Energy (DOE), the United States Environmental Protection Agency (EPA), the National Oceanic and Atmospheric Administration (NOAA), the US Department of Agriculture (USDA), the Federal Emergency Management Agency (FEMA), and the US Army Corps of Engineers (USACE). Funding to these programs under IIJA in many cases augments existing funding in established programs and is distributed under existing rules and guidance, along with associated transparency, reporting, and auditing by federal agencies of cognizance.

For example, IIJA authorizes an increase of \$22.6M to Connecticut over the next five years to fund the Connecticut Clean Water State Revolving Fund. DEEP typically receives approximately \$20M in funding per year through that program, and DEEP's most recent Clean Water Fund priority list had over \$150M in unmet demand. New funding under IIJA will complement available state funds to address the existing backlog of Clean Water projects.

While enhanced coordination and transparency is important, it is valuable to understand that this is provided for under the federal rules and the state regulations that dictate how projects under this program are evaluated, ranked, and awarded funds. DEEP will soon be posting a draft Priority List for projects and seeking public comment on that list. Many of the funds provided through existing federal programs have prescribed processes on types of projects that can be funded and priorities for the program.

The award of financial assistance from the Clean Water Fund to municipalities for wastewater infrastructure is governed by sections 22a-475 through 22a-483 of the general statutes and sections 22a-482-1 through 4 of the Regulations of Connecticut State Agencies (RCSA), otherwise known as “the CWF regulations.” In accordance with the CWF regulations, the DEEP prepares an ordered priority listing of projects for which funding assistance is available for each fiscal year. In conformance with the federal regulations governing the federal funds that capitalize the Clean Water Fund and Section 22a-482- 1(c)(4) of the RCSA, DEEP issues a notice of public hearing on its draft Priority List or Intended Use Plan. This draft plan is based on projects submitted by municipalities. Public comments received during a hearing process and are considered by DEEP as the final Priority List or Intended Use Plan is developed.

This process, which is similar to other federal grant programs administered by DEEP, is transparent and provides public officials and members of the public opportunity to comment. DEEP appreciates the committee’s efforts to provide oversight for expenditure of federal funds through IIIA and welcomes the opportunity to work with the committee to address the specific aspects of the bill noted above.

Thank you for the opportunity to present testimony on this proposal. Should you have any questions, please do not hesitate to contact Harrison Nantz at [Harrison.Nantz@ct.gov](mailto:Harrison.Nantz@ct.gov).